

Message Text

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ORIGIN L-03

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 AID-05

EB-07 CIEP-01 TRSE-00 STR-04 OMB-01 CEA-01 SCCT-01

NSCE-00 SSO-00 USIE-00 INRE-00 /067 R

DRAFTED BY L/ARA:DGANTZ:GMR

APPROVED BY ARA:WDROGERS

EB/OIA:DSTEBBING

ARA/ECP:RSTERN

ARA/NC:FJDEVINE

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FM SECSTATE WASHDC

TO AMEMBASSY CARACAS NIACT IMMEDIATE

C O N F I D E N T I A L STATE 084246

E.O. 11652: GDS

TAGS: EINV, PINS, VE, US

SUBJECT: OWEN-ILLINOIS NATIONALIZATION

REF: DEVINE-ASENCIO TELCON OF APRIL 6

1. YOU ARE INSTRUCTED TO MAKE THE FOLLOWING POINTS IN
YOUR CONVERSATION WITH PRESIDENT PEREZ THIS EVENING:

-- THE USG FULLY SHARES GOV VIEW OF THE SERIOUSNESS
OF THE TERRORISM/KIDNAPPING PROBLEM, AND RESPECTS GOV
POSITION ON NEGOTIATIONS BETWEEN THE KIDNAPPERS AND THE
COMPANY INVOLVED.

-- HOWEVER, WE WERE SURPRISED AND DISAPPOINTED THAT
GOV DECIDED TO PUNISH ALLEGED VIOLATIONS OF GOV POLICY ON
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DEALING WITH KIDNAPPERS BY EXPROPRIATING THE COMPANY.

-- WE PRESUME THAT IF OWENS-ILLINOIS (O-I) OFFICIALS VIOLATED VENEZUELAN LAWS, THERE ARE CIVIL AND/OR CRIMINAL LAWS AND PROCEDURES THAT ARE APPLICABLE; WE ARE CONCERNED THAT IN THIS CASE -- AS IN OTHERS IN RECENT MONTHS -- THE GOV IS USING EXPROPRIATION AS A SANCTION FOR ENFORCING GOVERNMENTAL POLICY.

-- WE DO NOT BELIEVE EXPROPRIATION IN SUCH CIRCUMSTANCES IS JUSTIFIED UNDER INTERNATIONAL LAW;

-- WHILE WE RECOGNIZE THAT THE GOV MUST ENFORCE ITS LAWS AND POLICIES, WE HOPE IT WILL DO SO IN ACCORDANCE WITH THE REQUIREMENTS OF ITS OWN LAW AND REGULATIONS AS WELL AS WITH INTERNATIONAL LAW; BEARING IN MIND THAT O-I IS A COMPANY THAT

AS FAR AS WE KNOW, HAS BEEN A GOOD CORPORATE CITIZEN OF VENEZUELA AND HAS CONTRIBUTED MUCH TO VENEZUELA'S DEVELOPMENT; AND WE HOPE CAN CONTINUE TO DO SO;

-- WE WOULD NOTE THAT CARRYING OUT SUCH A POLICY WOULD IN EFFECT GIVE THE KIDNAPPERS WHAT THEY WANT -- THE FORCING OUT OF A FOREIGN COMPANY;

-- WHILE THESE VIEWS ARE THOSE OF THE USG, WE KNOW THAT THEY ARE SHARED BY THE COMPANY AND INTERESTED ELEMENTS OF THE US CONGRESS. KISSINGER

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